

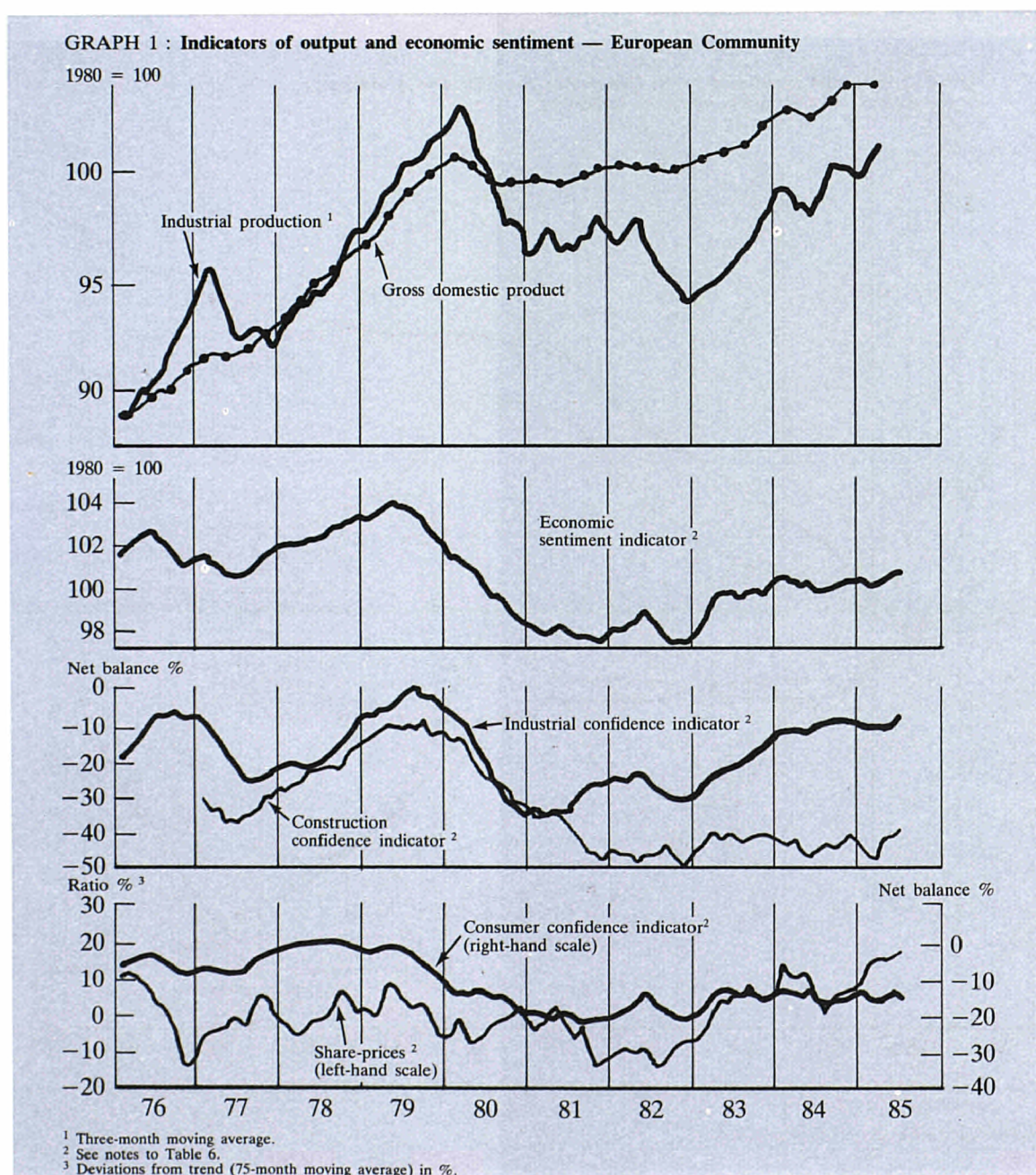
EUROPEAN ECONOMY

COMMISSION OF THE EUROPEAN COMMUNITIES • DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

Supplement B — No 7 — July 1985

Business and consumer survey results

*This month :
Industrial investment in 1985 —
new survey results*



Industry increases investment plans. — The investment motor in European industry which started last year is gathering speed. This conclusion can be drawn from the latest results of the investment survey in industry. At the Community level European industry plans to spend in 1985 about 16 % more on investment than in 1984, which corresponds to an increase in real terms by about 11 %. The first investment plans for 1985 reported in the autumn of last year, (see Supplement B, no. 1, January 1985), already rather expansionary, have been revised upwards by 2 percentage points.

The final figures for 1984 remained unchanged : gross fixed capital formation in industry increased by 12 % in nominal and by 7 % in real terms.

The investment volume to be expected for 1985 is approaching the level attained before the sharp decrease of industrial investment in the years 1981-1983. However, in order to make up even a part of this shortfall, investment volume would have to increase by a double digit figure for a number of years. The positive development in 1985 needs, therefore, not be an exception but the rule for the second half of the 80's. Only in this way will it be possible to reverse significantly the downward trend in the number of persons employed in industry which has persisted for more than 10 years and which resulted in 1984 in a labour force in European industry around 27 % less than in 1975.

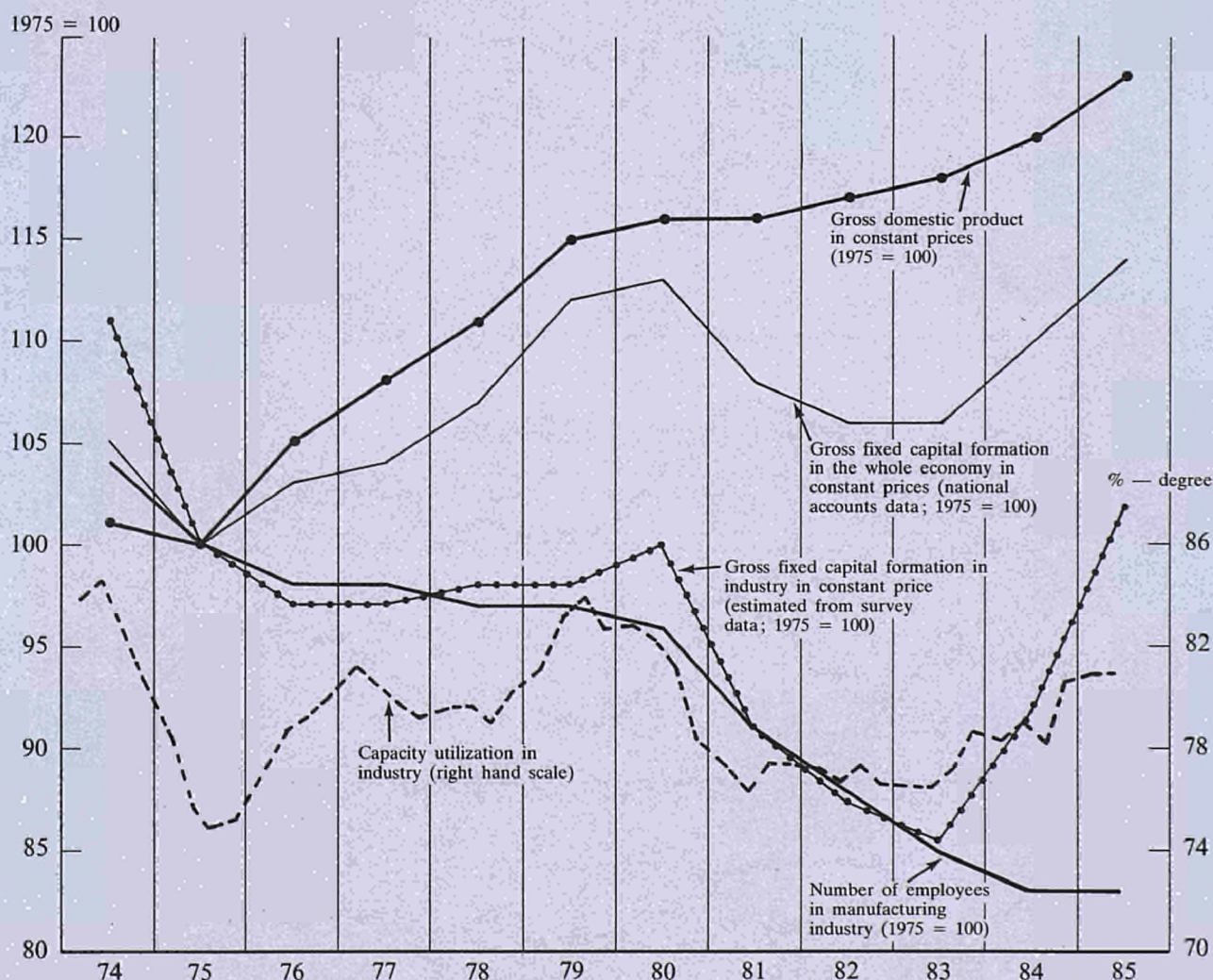
In the present year it will probably not be possible to reverse the downward trend but only to prevent a further decline. An increase in total employment in industry in 1985 is not yet very likely as many industrial companies, particularly in France and Italy, still seem to be overstaffed and will thus

shed employment in spite of an improving trend of demand and production (see Supplement B, no. 6, June 1985).

Investment by member countries. — Investment increases far above the Community average are planned in Denmark and the Netherlands (+40 % and +24 % respectively, in current prices). This is particularly remarkable as in both countries similarly high increases were recorded last year. The even higher expected increase in total investment in Greece is mainly due to huge investment activities in the basic goods sector (public mineral oil-refining company) and is thus not spread over a wide range of industry. In most other member countries, the envisaged increases are not as spectacular. With only two exceptions, however, the investment plans have been revised upwards since autumn of last year (in Belgium from +3 to +12 %; in the Federal Republic of Germany from +10 to +14 %; in France from +6 to +13 %; in Luxembourg from -6 to +4 % and in the United Kingdom from +13 to +15 %). Only in Italy and in Ireland have the first plans from autumn 1984 been lowered somewhat, but even according to these revised plans investment will in 1985 be significantly higher than in 1984 (by 14 and 9 %, respectively).

Investment intentions by industrial branch. — Investment activity is reviving particularly in metallurgical and in mechanical and electrical industries. The phenomenon that the investment goods sector is its own best client in the first phase of an investment upswing has been observed in earlier business cycles. Almost as expansionary as in the investment goods sector are the investment plans in basic materials industries for 1985 (+17 % compared to +19 % in inves-

GRAPH 2 : Trend of industrial investment in the Community (business survey indicator)
in the context of other macro-economic indicators



1984 and 1985 : Estimate of the Commission's services with the exception of gross fixed capital formation in industry and community utilization which are based on EC business- and investment surveys.

Source : Eurostat and EC-Business and Investment Surveys

TABLE 1 : Industrial investment in manufacturing industry by Member State
% change in relation to preceding year

Year	B(d)	DK(d)	D	GR(d)	F	IRL(d)	I	L(d)	NL	UK(d)	EG
1984											
in values terms	+10	+44	+ 1	-34	+19	+21	+ 8	+17	+29	+19	+12
in volumes terms (a)	+ 5	+39	- 1	-53	+13	+14	- 1	+11	+27	+15	+ 7
1985											
in values terms	+12	+40	+14	+82(g)	+13	+ 9	+14	+ 4	+24	+15	+16
in volumes terms (a)	+ 8	+36	+13	+65(g)	+ 7	+ 3	+ 5	- 1	+22	+ 9	+11

TABLE 2 : Industrial investment in the EC manufacturing industry

Data of survey	A. % change in value in relation to preceding year							B. % change in volume in relation to preceding year (a)						
	Years to which data relate							Years to which data relate						
	1979	1980	1981	1982	1983	1984	1985	1979	1980	1981	1982	1983	1984	1985
March/April 1980		11	16					0	4					
Oct./Nov. 1980			13	6					1	-3				
March/April 1981			14	3					2	-1				
Oct./Nov. 1981				-1	3					-9	-3			
March/April 1982				-1	3					-9	-3			
Oct./Nov. 1982					1	5					-5	-1		
March/April 1983					2	4					-4	-2		
Oct./Nov. 1983						3	10					-3	5	
March/April 1984						3	13					-2	7	
Oct./Nov. 1984							12	14					7	9
March/April 1985							12	16					7	11

TABLE 3 : Industrial investment survey by branch

Results of the March/April 1985 investment survey, % change in value, over the preceding year

	Basic materials industries (b)		Metallurgical industries		Mechan. & Elect. industries		Processing industries (c)		Extractive		Food industries		Total, all industry	
	1984	1985	1984	1985	1984	1985	1984	1985	1984	1985	1984	1985	1984	1985
B	+ 1	+ 18	- 5	+ 49	+24	+18	+ 41	-19	:	:	-13	- 7	+10	+12
DK	+24	+ 76	+68	+ 19	+42	+45	+ 61	+36	:	:	+50	+ 3	+44	+40
D	- 2	+ 16	+19	+ 11	+ 2	+17	+ 11	+12	-20	+21	- 7	0	+ 1	+14
GR	-41	+205	-57	- 38	- 3	+45	- 4	+38	:	:	+12	+23	-34	+82
F	+22	+ 18	+61	+ 20	+11	+17	+ 9	+ 7	+20	+20	+27	- 1	+19	+13
IRL	-17	+ 18	+86	+132	+89	+40	+ 73	-32			+29	+ 3	+21	+ 9
I	+ 8	+ 6	-13	+ 34	+11	+20	+ 7	+14	+25	+52	+ 5	0	+ 8	+14
L	-14	- 1	+ 2	- 3	+10	-25	+243	+54	:	:	- 5	-29	+17	+ 4
NL	+59	+ 15	+20	+ 32	+34	+26	+ 22	+16	+16	+55	- 1	+24	+29	+24
UK	+13	+ 19	+38	+ 8	+23	+20	+ 19	+ 5	:	:	+14	+12	+19	+15
EC (f)	+12	+ 17	+24	+ 19	+12	+19	+ 14	+10	:	:	+ 9	+ 4	+12	+16

TABLE 4 : Industrial investment survey — all branches

% change in value in relation to preceding year

Data of survey:	1981				1982				1983				1984				1985	
	Year to which data relate:																	
	Oct./ Nov. 1980	March/ April 1981	Oct./ Nov. 1981	March/ April 1982	Oct./ Nov. 1981	March/ April 1982	Oct./ Nov. 1982	March/ April 1983	Oct./ Nov. 1982	March/ April 1983	Oct./ Nov. 1983	March/ April 1984	Oct./ Nov. 1983	March/ April 1984	Oct./ Nov. 1984	March/ April 1985	Oct./ Nov. 1984	March/ April 1985
B (d)	+ 3	+ 8	+ 4	+ 4	- 9	- 3	+10	+18	- 7	- 9	- 2	- 2	+ 5	+15	+13	+10	+ 3	+12
DK (d)	:	:	:	:	:	:	+11	+ 4	+ 4	+11	+18	+19	+20	+60	+54	+44	+18	+40
D	+ 4	+ 2	0	- 1	0	0	- 2	- 2	+ 3	+ 2	+ 2	+ 1	+ 2	+ 5	+ 4	+ 1	+10	+14
GR (d)	:	:	+38	+42	- 2	- 6	-19	+ 6	-23	-35	-49	-36	+41	+23	- 1	-34	+95	+82
F	+ 6	+ 5	- 1	+ 3	+ 6	+ 5	+ 4	+ 6	+ 7	+ 6	+ 6	+ 5	+15	+20	+18	+19	+ 6	+13
IRL (d)	+ 2	-22	-16	-26	+33	+54	0	+27	+ 5	-18	-24	- 1	+19	+13	-31	+21	+16	+ 9
I	+47	+17	+14	+10	:	+ 6	+ 8	+13	+13	+ 7	+ 3	+ 3	+ 8	+11	+ 6	+ 8	+29	+14
L (e)	0	- 8	+17	-10	-20	+24	+ 1	+34	+17	-39	+13	+20	- 6	-22	+ 4	+17	- 6	+ 4
NL	- 7	- 2	- 6	- 8	- 2	+ 6	- 1	0	+11	+11	+ 6	+ 5	+25	+29	+27	+29	+15	+24
UK (d)	- 7	- 6	-11	-11	+ 7	+ 5	- 4	- 3	+ 5	+ 2	+ 2	+ 3	+15	+16	+16	+19	+13	+15
EC (f)	+ 6	+ 3	- 1	- 1	+ 3	+ 3	+ 1	+ 2	+ 5	+ 4	+ 3	+ 3	+10	+13	+12	+12	+14	+16

(a) The changes in volume are calculated by dividing the changes in value by the corresponding deflators for gross capital formation (equipment only). For 1984 and 1985 forecast deflators are used.

(b) Chemicals, man-made fibres, petroleum refining, rubber processing, etc.

(c) Manufacture of textiles, footwear, wood, paper, together with the printing and processing of plastics industries.

(d) Excluding the extractive industries.

(e) Excluding the extractive industries; including energy and water.

(f) Weighted total of the above (not given when data are substantially incomplete).

(g) Mainly due to increase in basic materials industries.

Source : European Community business surveys.

tment goods industries). Both these sectors are in contrast with the traditional consumer goods industries (processing industries), however, where planned increases in investment in 1985 at the Community level are only about half as strong; in the food industry almost no increase in planned investment is foreseen if data are corrected for expected price increase. This shift in the emphasis of investment activities should be regarded as favourable at the present time. The weakness of industrial investment in the past years has led to an ageing of the capital stock in many companies. The necessary regeneration and enlargement of the capital stock requires firstly an increase of potential production in many investment goods industries. Only in this way would a strong wide-ranging increase of investment activity — including consumer goods industries — be made possible, by preventing major bottlenecks in the capital goods industries which might increase inflationary tension and lead to a surge of imports.

Economic sentiment indicator improves further. — The EC leading composite indicator has increased in June for the 4th successive month. The most recent value of the indicator (100,8 compared to 100,6 in May; 1980 = 100) marks a new record high in the present upswing. From its cyclical trough in November 1982 the indicator has improved by 3.6 points, equivalent to half the decrease recorded from the previous peak in 1979. The strongest upward impulse in June came from industry. Share prices, which are used in the context as a proxy for the confidence of financial capital investors (measuring thus profit- and interest rate expectations) and the slightly improved confidence in construction also contributed to the overall increase. Only the consumer climate, the 4th component, weakened somewhat in June; the recovery of this indicator in May did, therefore, not herald the breakthrough of more dynamic private consumption in the Community.

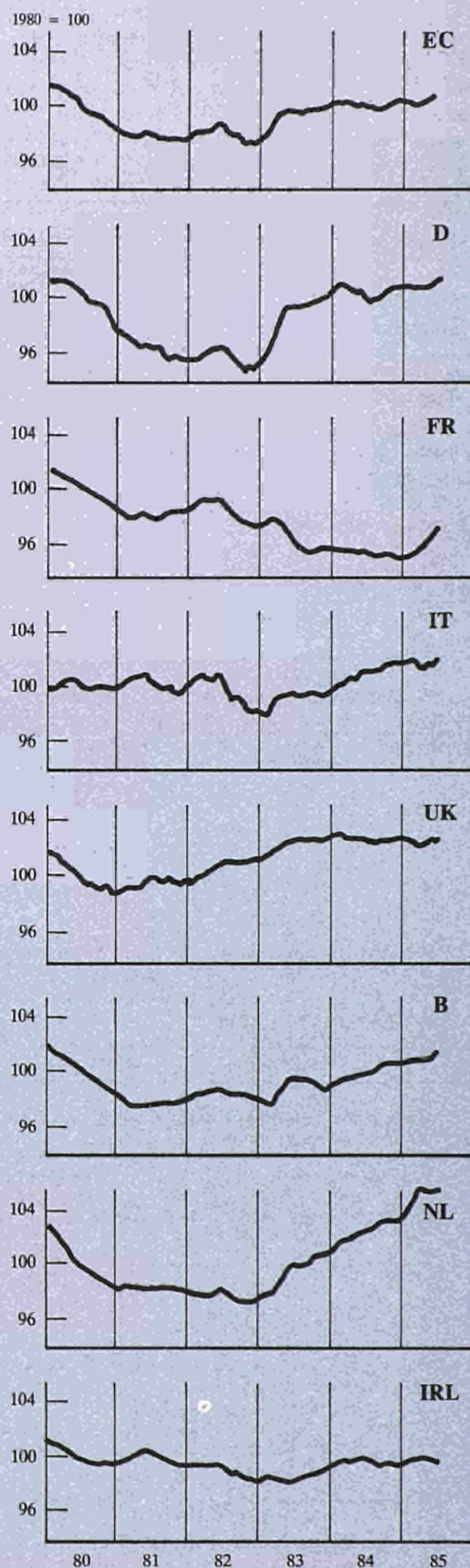
The strongest increase was registered in June in Italy (from 101,3 to 102,0; 1980 = 100); all four components of the composite indicator, i.e., also consumer climate, have improved. An even stronger rise would have been recorded in Germany if the consumer climate had not deteriorated again somewhat. On the other hand, confidence in industry was significantly better and share prices continued to rise sharply in June. Even the German construction sector which is in a structural crisis picked up somewhat. This resulted in an increase of the German economic confidence indicator in June by 0,5 points (from 101,2 to 101,7; 1980 = 100). The indicator improved by the same amount in France, but the level of the composite indicator is — in spite of the upward tendency of the last six months — still on a very low level (97,5; 1980 = 100). Less pronounced was the improvement of economic confidence in June in Belgium, the Netherlands and the United Kingdom; only in Ireland was a slight decrease observed.

Industry plans to increase production. — Production plans are more expansionary than in previous months. The main stimulus is now coming from domestic demand. The judgements on export order-books did not improve further. Thanks to the increase of total demand the stocks of finished goods came back to almost normal levels. In the chemical industry even supply shortages have been reported by some companies (net balance -13). The present price trend will continue according to firms' expectations in the near future; an acceleration is not ahead.

Production plans have improved in particular in the United Kingdom where domestic demand seems to have increased significantly, whereas the trend of export orders is weakening. Also in Italy the impulse for higher production is coming increasingly from domestic demand. In Germany, on the other hand, foreign demand remained the most dynamic component in total demand. In France and Belgium there are now at least signs of an end of the declining trend in production.

Slight recovery in construction. — Confidence in European construction sector still remains weak. In all member countries there are some signs of recovery, however: even in Germany where the confidence indicator in construction is still at the lowest level in the Community (-58 compared to -63 in May; net-balances).

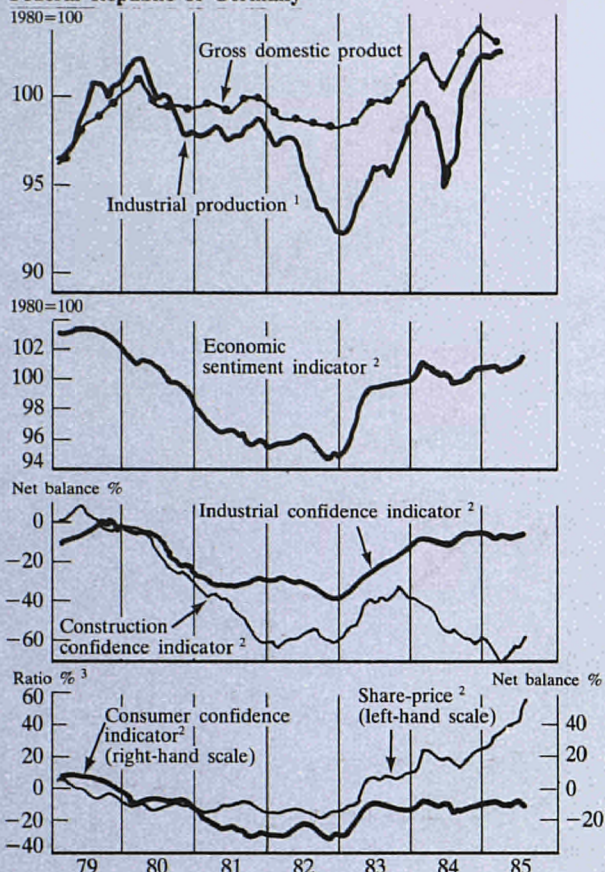
GRAPH 3 : Economic Sentiment Indicator¹⁾



¹⁾ The economic sentiment indicator is a composite measure in which the industrial confidence indicator and the consumer confidence indicator are given equal weight, while the construction confidence indicator (an average of two series of the EC survey of the construction industry, namely employment expectations and judgements on the level of order-books) and the share-price index are attributed half the weight of each of the other two. The share-price index is included in the composite indicator in ratio-to-trend form, in order to separate short-term or cyclical variations from long-term increases in the real and nominal value of stocks and shares. The long-term trend of the series is calculated using the NBER Bry-Boschan growth cycle programme. For a fuller description of the economic sentiment indicator and its components, see the technical note in the November 1982 issue of this Supplement.

GRAPH 4 : Indicators of output and economic sentiment

Federal Republic of Germany



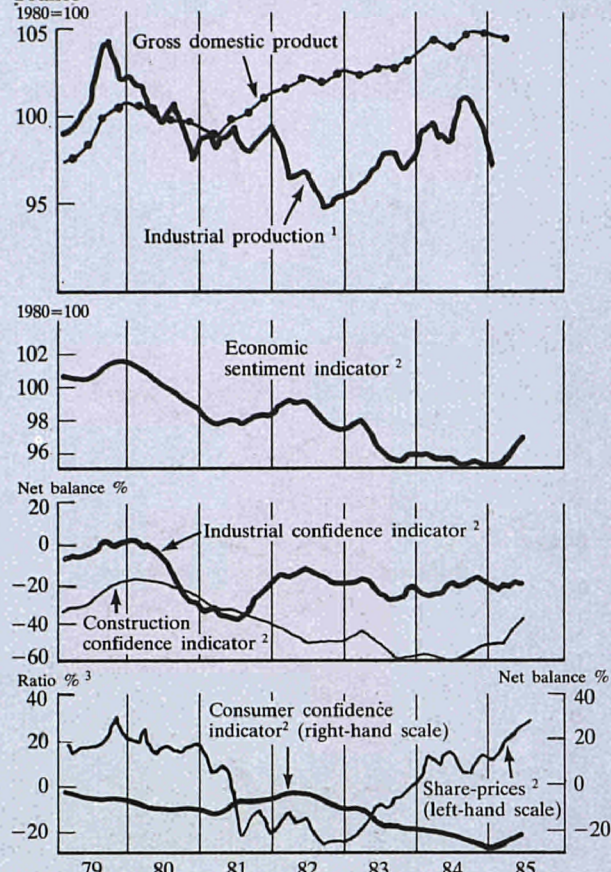
¹ Three-month moving average.

² See notes to Table 6.

³ Deviations from trend (75-month moving average) in %.

GRAPH 5 : Indicators of output and economic sentiment

France



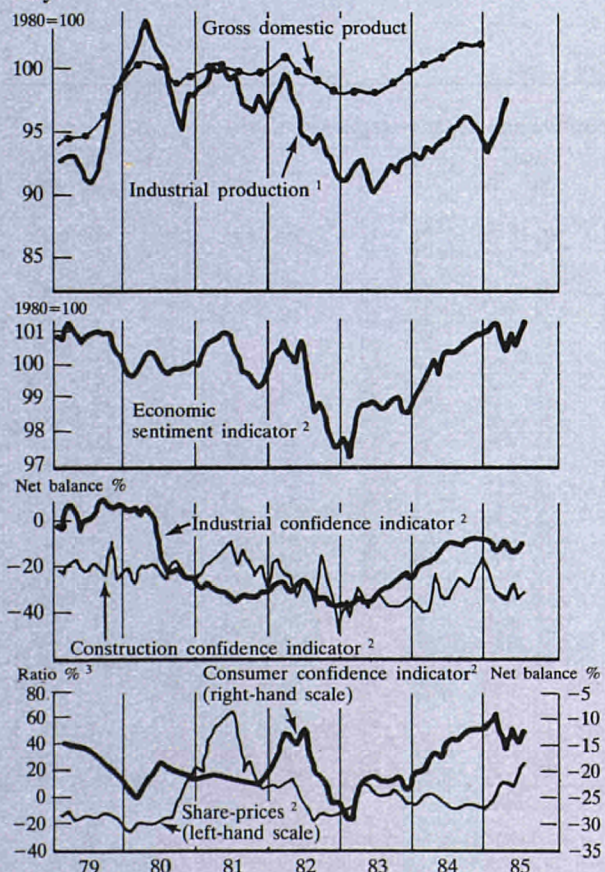
¹ Three-month moving average.

² See notes to Table 6.

³ Deviations from trend (75-month moving average) in %.

GRAPH 6 : Indicators of output and economic sentiment

Italy



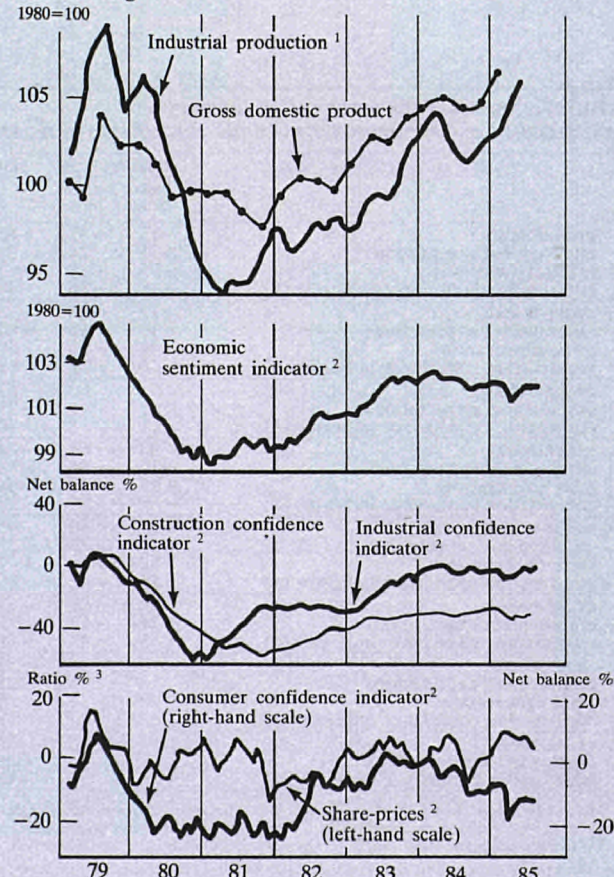
¹ Three-month moving average.

² See notes to Table 6.

³ Deviations from trend (75-month moving average) in %.

GRAPH 7 : Indicators of output and economic sentiment

United Kingdom



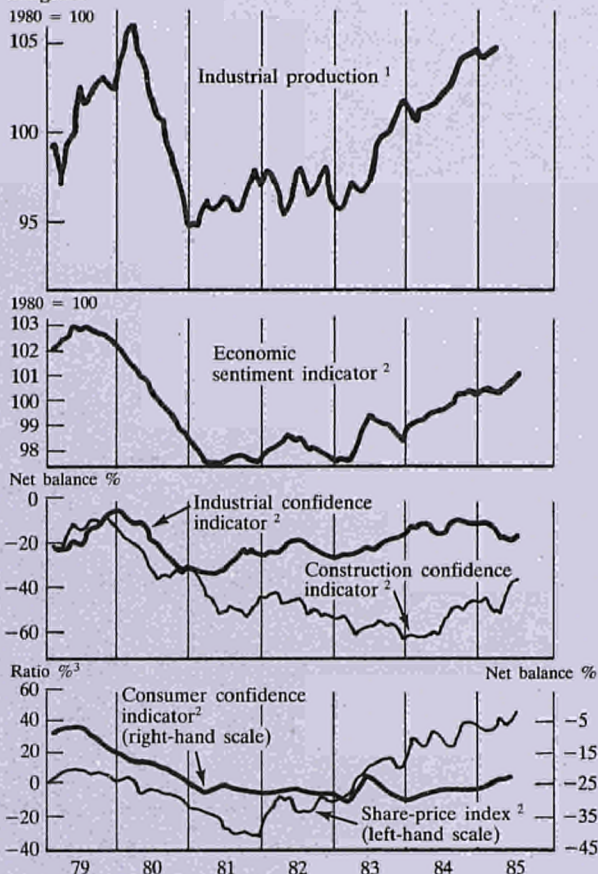
¹ Three-month moving average.

² See notes to Table 6.

³ Deviations from trend (75-month moving average) in %.

GRAPH 8 : Indicators of output and economic sentiment

Belgium

¹ Three-month moving average.² See notes to Table 6.³ Deviations from trend (75-month moving average) in %.

GRAPH 9 : Indicators of output and economic sentiment

The Netherlands

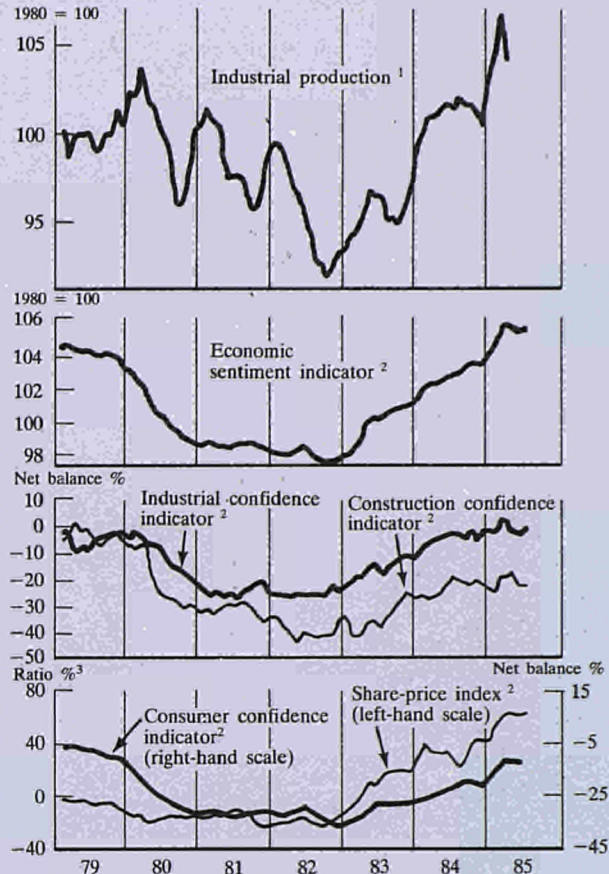
¹ Three-month moving average.² See notes to Table 6.³ Deviations from trend (75-month moving average) in %.

TABLE 5: Survey of the construction industry

Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (b)

		Range (c)		1982	1983	1984	1984		1985	1985		1985	1985	1985	1985
		Peak 72/73	Trough 74/75				III	IV		I	II	Jan.	Feb.	March	April
B	order-books	-13	-47	-61	-73	-68	-66	-64	-62	-55	-58	-65	-64	-59	-55
	employment expectations	+31	-24	-36	-41	-39	-32	-27	-32	-23	-29	-33	-35	-28	-19
	price expectations	+75	+25	-1	-11	-8	-6	-3	-5	+1	-11	0	-3	+2	+1
	construction confidence indicator (a)	+9	-36	-49	-57	-54	-49	-46	-47	-39	-44	-49	-50	-44	-37
D	order-books	-17	-84	-73	-60	-69	-73	-73	-77	-75	-76	-79	-77	-75	-76
	employment expectations	+10	-60	-44	-20	-38	-41	-47	-58	-48	-53	-62	-59	-52	-50
	price expectations	+48	-37	-28	+3	-15	-19	-16	-23	-29	-20	-21	-29	-34	-30
	construction confidence indicator (a)	-4	-72	-59	-40	-54	-57	-60	-68	-62	-65	-71	-68	-64	-58
F	order-books	:	:	-62	-66	-68	-69	-60	-63	-52	-63	(-63)	(-63)	(-52)	(-52)
	employment expectations	:	:	-35	-37	-45	-43	-43	-37	-25	-37	(-37)	(-37)	(-25)	(-25)
	price expectations	:	:	-49	-52	-57	-56	-52	-50	-39	-50	(-50)	(-50)	(-39)	(-39)
	construction confidence indicator (a)	:	:	:	:	:	:	:	:	:	:	:	:	:	:
I	order-books	-25	-68	-44	-48	-39	-37	-30	-38	-35	-34	-38	-43	-33	-37
	employment expectations	+10	-44	-13	-23	-17	-15	-9	-24	-24	-25	-24	-24	-20	-23
	price expectations	+85	+30	+54	+14	+10	+9	+8	+8	+15	+11	+7	+7	+20	+7
	construction confidence indicator (a)	-8	-56	-29	-36	-28	-26	-20	-31	-30	-30	-31	-34	-27	-34
L	order-books	+21	-50	-46	-53	-67	-59	-61	-67	-61	-66	-67	-67	-63	-60
	employment expectations	+31	-39	-25	-36	-51	-46	-40	-58	-46	-49	-64	-60	-56	-47
	price expectations	+82	+11	+17	-16	-24	-20	-10	-20	-15	-14	-13	-38	-21	-15
	construction confidence indicator (a)	+26	-45	-36	-45	-59	-53	-51	-63	-54	-58	-66	-64	-60	-54
NL	order-books	-8	-81	-57	-55	-40	-38	-36	-36	-36	-35	-36	-37	-36	-36
	employment expectations	+14	-13	-25	-14	-6	-4	-8	-6	-6	-14	-2	-1	0	-9
	price expectations	+3	-47	-41	-35	-23	-21	-22	-21	-21	-24	-19	-19	-18	-23
	construction confidence indicator (a)	:	:	:	:	:	:	:	:	:	:	:	:	:	:
UK	order-books	:	:	-59	-48	-43	-43	-37	-38	-39	-38	(-38)	(-38)	(-39)	(-39)
	employment expectations	:	:	-25	-12	-11	-9	-9	-20	-16	-20	(-20)	(-20)	(-16)	(-16)
	price expectations	:	:	0	+11	+9	+6	+7	+14	+9	+14	(+14)	(+14)	+9	(+9)
	construction confidence indicator (a)	:	:	-42	-30	-27	-26	-23	-29	-28	-29	(-29)	(-29)	(-28)	(-28)
EC	order-books	:	:	-61	-57	-57	-57	-53	-56	-52	-55	(-57)	(-57)	(-52)	(-53)
	employment expectations	:	:	-31	-24	-29	-29	-29	-35	-28	-34	(-36)	(-36)	(-29)	(-26)
	price expectations	:	:	-46	-41	-43	-43	-41	-46	-40	-45	(-47)	(-47)	(-41)	(-39)
	construction confidence indicator (a)	:	:	:	:	:	:	:	:	:	:	:	:	:	:

(a) The indicator is an average of the responses (net balances) to the questions on order-books and employment expectations.

(b) Details of the questions are given in the December 1984 issue of this supplement.

(c) These are the extreme (high and low) values of the net balances of the different questions, reached in the course of 1972/73 and 1974/75, respectively.

Note: The annual and quarterly figures are averages of the corresponding monthly data, except for France and the United Kingdom, where the survey is carried out on a quarterly basis. The monthly and related quarterly data are seasonally adjusted unless otherwise indicated; the seasonal adjustment applied to the most recent observations is provisional, so that such data are subject to later revision.

Source: European Community business surveys.

TABLE 6: Indicators of output and economic sentiment

	Trough 1974/75	1982	1983	1984	1984		1985		1985					
					III	IV	I	II	Jan.	Feb.	March	April	May	June
B <i>gross domestic product</i> 1980=100	:	115,8	:	:	:	:	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	:	97,2	99,1	102,4	103,2	104,2	103,9	:	100,8	103,4	107,6	:	:	:
1. industrial confidence indicator	-56	-22	-20	-12	-10	-11	-13	-17	-10	-13	-17	-16	-18	-16
2. construction confidence indicator	-36	-48	-57	-54	-49	-46	-47	-39	-44	-49	-50	-44	-37	-37
3. consumer confidence indicator ^{1, 4}	-18	-27	-27	-27	:	-26	-24	-22	-24	(-24)	(-24)	22	(-22)	(-22)
4. share-price index ^{4, 5}	:	100,1	128,9	161,9	163,9	171,5	171,1	177,8	164,2	172,3	176,9	172,3	176,1	184,9
= 5. economic sentiment indicator	:	98,2	98,7	100,0	100,3	100,5	100,7	101,2	100,7	100,7	100,7	100,9	101,1	101,5
D <i>gross domestic product</i> ³ 1980=100	:	98,8	100,1	102,7	103,0	104,1	103,3	:	:	:	:	:	:	:
<i>index of industrial production</i>	:	95,3	95,9	98,8	100,9	102,6	103,1	:	102,8	102,5	103,4	102,8	:	:
1. industrial confidence indicator	-49	-33	-21	-8	-6	-6	-7	-8	-8	-6	-8	-9	-8	-6
2. construction confidence indicator	-72	-59	-40	-54	-57	-60	-68	-59	-65	-71	-68	-64	-63	-58
3. consumer confidence indicator ⁴	-22	-26	-12	-9	-11	-8	-8	-9	-6	-9	-9	-10	-8	-10
4. share-price index ^{4, 5}	:	101,9	128,5	153,6	148,2	161,4	175,2	192,0	170,8	174,3	180,4	182,7	187,5	205,9
= 5. economic sentiment indicator	:	95,7	99,2	100,6	100,2	100,9	100,8	101,2	101,0	100,7	100,8	100,8	101,2	101,7
F <i>gross domestic product</i> 1980=100	:	102,2	102,9	104,7	105,1	104,9	104,6	:	:	:	:	:	:	:
<i>index of industrial production</i>	:	96,2	97,0	100,0	101,5	99,0	98,2	98,2	94,7	99,2	100,8	98,5	:	:
1. industrial confidence indicator	-49	-17	-23	-22	-19	-20	-21	-19	-23	-21	-21	-20	-21	-16
2. construction confidence indicator	:	-49	-52	-57	-56	-52	-50	-39	-50	(-50)	(-50)	-39	(-39)	(-39)
3. consumer confidence indicator ^{1, 4}	-9	-5	-16	-23	-24	-27	-25	-21	-25	(-25)	(-25)	-21	(-21)	(-21)
4. share-price index ^{4, 5}	:	88,0	116,0	158,6	156,0	168,3	184,3	205,7	175,5	185,6	191,7	200,4	204,6	212,1
= 5. economic sentiment indicator	:	98,4	96,3	95,3	95,2	95,1	95,6	97,0	95,2	95,5	96,0	96,6	97,0	97,5
IRL <i>gross domestic product</i> 1980=100	:	127,4	:	:	:	:	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	:	101,5	108,7	123,2	121,6	129,7	128,9	:	125,3	125,4	135,9	:	:	:
1. industrial confidence indicator	-41	-19	-20	-10	-11	-12	-10	-13	-11	-19	-10	-11	-12	-16
2. construction confidence indicator	:	-51	-60	-45	-48	-21	-35	-30	-19	-58	-28	-38	-26	-27
3. consumer confidence indicator ⁴	-41	-34	-40	-33	-33	-34	-29	-31	-29	(-29)	(-29)	-31	(-31)	(-31)
4. share-price index ^{4, 5}	:	84,8	106,2	139,7	132,5	131,7	134,3	146,0	128,4	134,6	140,0	144,0	146,0	148,0
= 5. economic sentiment indicator	:	99,0	98,9	100,0	99,9	99,9	99,8	99,7	99,7	99,7	99,9	99,8	99,7	99,6
I <i>gross domestic product</i> 1980=100	:	99,7	99,2	101,8	102,6	102,0	102,7	:	:	:	:	:	:	:
<i>index of industrial production</i>	:	95,4	92,3	95,2	96,6	94,9	96,6	:	91,2	99,2	99,5	95,0	:	:
1. industrial confidence indicator	-59	-31	-29	-11	-9	-7	-3	-11	-10	-10	-8	-13	-12	-8
2. construction confidence indicator	-56	-29	-36	-28	-26	-20	-31	-30	-30	-31	-34	-27	-34	-30
3. consumer confidence indicator ⁴	-39	-18	-23	-15	-13	-12	-12	-13	-9	-11	-16	-12	-14	-12
4. share-price index ^{4, 5}	:	123,2	153,2	171,5	171,4	174,5	216,1	247,5	200,3	223,4	224,6	224,0	248,0	270,6
= 5. economic sentiment indicator	:	99,3	98,7	100,4	100,6	100,9	101,5	101,6	101,9	101,7	101,0	101,5	101,3	102,0
NL <i>gross domestic product</i> 1980=100	:	113,1	:	:	:	:	:	:	:	:	:	:	:	:
<i>index of industrial production</i>	:	94,0	96,0	101,0	101,7	100,7	106,7	:	108,0	105,0	107,0	101,0	:	:
1. industrial confidence indicator	-44	-26	-16	-4	-3	-4	0	-2	-3	+3	+1	-3	-3	0
2. construction confidence indicator	-47	-41	-35	-23	-21	-22	-21	-21	-24	-19	-19	-18	-23	(-23)
3. consumer confidence indicator ⁴	-19	-32	-30	-22	-19	-21	-11	-12	-11	(-11)	(-11)	-12	(-12)	(-12)
4. share-price index ^{4, 5}	:	107,3	155,0	196,8	192,0	211,9	236,5	248,6	227,0	238,2	244,3	245,2	249,5	251,2
= 5. economic sentiment indicator	:	97,6	99,8	102,7	102,9	103,4	105,2	105,3	104,4	105,6	105,6	105,4	105,2	105,4
UK <i>gross domestic product</i> 1980=100	:	100,5	103,7	105,3	104,4	107,0	107,6	:	:	:	:	:	:	:
<i>index of industrial production</i>	:	98,6	101,9	102,9	102,4	103,3	105,1	:	104,1	104,5	106,8	107,4	:	:
1. industrial confidence indicator	:	-25	-10	0	+1	0	-3	+1	-3	-3	-3	+2	-1	+3
2. construction confidence indicator	:	-42	-30	-27	-26	-23	-29	-28	-29	(-29)	(-29)	-28	(-28)	(-28)
3. consumer confidence indicator ⁴	-33	-12	-2	-5	-9	-7	-12	-11	-6	-18	-13	-11	-11	-11
4. share-price index ^{4, 5}	:	130,6	164,9	196,3	190,8	211,9	235,0	239,6	232,5	235,3	237,3	237,6	243,5	237,6
= 5. economic sentiment indicator	:	100,7	102,2	102,5	102,2	102,5	102,1	102,3	102,4	101,8	102,0	102,3	102,2	102,3
EC <i>gross domestic product</i> ^{2, 3} 1980=100	:	100,3	101,5	103,6	103,8	104,5	104,5	:	:	:	:	:	:	:
<i>index of industrial production</i>	:	96,2	97,1	99,8	100,4	101,0	101,6	:	100,3	101,9	102,5	101,9	:	:
1. industrial confidence indicator	-49	-27	-20	-10	-8	-8	-9	-9	-10	-9	-9	-10	-10	-7
2. construction confidence indicator	:	-46	-41	-43	-43	-41	-46	-40	-45	(-47)	(-47)	-41	(-41)	(-39)
3. consumer confidence indicator ^{1, 4}	-17	-17	-14	-14	-15	-14	-14	-14	-12	-15	-14	-14	-13	-14
4. share-price index ^{4, 5}	:	120,0	157,4	188,6	184,2	197,2	217,6	230,0	212,4	218,1	222,2	225,0	230,0	235,1
= 5. economic sentiment indicator	:	98,0	99,5	100,2	99,9	100,4	100,3	100,6	100,5	100,1	100,2	100,4	100,6	100,8

¹ Quarterly series are constructed by attributing results of the January, May and October surveys to the first, second and fourth quarters respectively. Third quarter data are interpolated between second and fourth quarter values.

² Weighted total of quarterly figures for the Federal Republic of Germany, France, Italy and the UK.

³ For the Federal Republic of Germany, gross national product for quarterly data.

⁴ Not seasonally adjusted.

⁵ Revised by Eurostat.

Source: European Community business surveys and Eurostat. For quarterly GDP/GNP: Federal Republic of Germany (Bundeshank), France (INSEE), Italy (ISCO) and the United Kingdom (CSO). Figures for Germany do not include the adjustment for calendar irregularities.

TABLE 7: Monthly survey of manufacturing industry — Monthly questions and the composite industrial confidence indicator (a)
Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Range (b)		1982	1983	1984	1984		1985		1985					
		Peak 1972/73	Trough 1974/75				III	IV	I	II	Jan.	Feb.	March	April	May	June
B	production expectations	+31	-56	-18	-16	-3	-2	-1	-4	-10	+3	-6	-8	-11	-13	-5
	order-books	+13	-74	-40	-34	-23	-21	-24	-25	-26	-23	-24	-29	-24	-27	-28
	export order-books	+15	-82	-40	-34	-25	-23	-24	-27	-27	-25	-28	-27	-27	-25	-28
	stocks of finished products	-14	+37	+8	+9	+10	+7	+8	+10	+14	+9	+8	+14	+13	+13	+15
	selling-price expectations	+64	-10	+28	+24	+27	+28	+25	+24	+20	+26	+26	+21	+21	+22	+18
	industrial confidence indicator	+19	-56	-22	-20	-12	-10	-11	-13	-17	-10	-13	-17	-16	-18	-16
DK	production expectations	:	:	+3	+8	+27	+29	+26	+19	+19	:	:	:	:	:	:
	order-books	:	:	-17	-3	+31	+31	+35	+26	+23	:	:	:	:	:	:
	export order-books	:	:	-4	-2	+26	+29	+30	+27	+22	:	:	:	:	:	:
	stocks of finished products	:	:	+16	+9	0	-1	-10	-7	0	:	:	:	:	:	:
	selling-price expectations	:	:	-10	-2	+19	+20	+24	+17	+14	:	:	:	:	:	:
	industrial confidence indicator	:	:	-10	-2	+19	+20	+24	+17	+14	:	:	:	:	:	:
D	production expectations	-17	-32	-20	-2	+5	+8	+5	+2	+3	+1	+4	+1	0	+3	+5
	order-books	-5	-73	-53	-43	-21	-20	-16	-17	-17	-17	-17	-17	-18	-17	-15
	export order-books	:	:	-40	-43	-23	-20	-13	-12	-10	-15	-12	-9	-9	-13	-7
	stocks of finished products	-7	+43	+26	+17	+8	+7	+6	+7	+9	+9	+6	+7	+9	+9	+8
	selling-price expectations	+55	+4	+18	+16	+24	+25	+22	+18	+20	+15	+18	+20	+23	+18	+18
	industrial confidence indicator	+10	-49	-33	-21	-8	-6	-6	-7	-8	-8	-6	-8	-9	-8	-6
GR	production expectations	:	:	+5	+14	+24	+26	+23	+23	+21	+26	+27	+16	+21	+16	+26
	order-books	:	:	-36	-29	-28	-28	-21	-31	-23	-30	-29	-34	-29	-24	-16
	export order-books	:	:	-39	-30	-27	-27	-25	-41	-32	-42	-41	-40	-30	-32	-34
	stocks of finished products	:	:	+20	+14	+18	+17	+15	+9	+15	+9	+7	+11	+18	+15	+13
	selling-price expectations	:	:	+21	+27	+33	+27	+41	+26	+29	+32	+26	+21	+31	+28	+28
	industrial confidence indicator	:	:	-17	-10	-7	-6	-4	-6	-6	-4	+3	-10	-9	-8	-1
F	production expectations	+33	-29	-4	-13	-10	-5	-7	-7	-4	-7	-7	-8	-6	-6	-1
	order-books	+26	-69	-30	-38	-35	-33	-33	-36	-33	-39	-36	-34	-35	-34	-30
	export order-books	+24	-66	-36	-38	-19	-16	-22	-22	-19	-26	-16	-24	-25	-15	-18
	stocks of finished products	-14	+50	+16	+18	+20	+19	+20	+21	+21	+23	+19	+22	+20	+24	+18
	selling-price expectations	+76	+15	+49	+45	+42	+42	+33	+38	+32	+41	+34	+41	+39	+29	+27
	industrial confidence indicator	+29	-49	-17	-23	-22	-19	-20	-21	-19	-23	-21	-21	-20	-21	-16
IRL	production expectations	:	-21	-4	-8	+2	+4	0	-1	+5	-2	-6	+4	+6	+4	+4
	order-books	:	-68	-39	-44	-29	-33	-27	-20	-30	-19	-44	-34	-30	-31	-29
	export order-books	:	-22	-7	0	+8	+2	+8	+5	+7	+4	+1	+10	+8	+6	+7
	stocks of finished products	:	+35	+14	+8	+6	+5	+9	+8	+13	+12	+7	+4	+9	+8	+22
	selling-price expectations	:	+64	+35	+31	+32	+26	+30	+22	+19	+20	+21	+25	+33	+18	+7
	industrial confidence indicator	:	-41	-19	-20	-10	-11	-12	-10	-13	-11	-19	-10	-11	-12	-16
I	production expectations	+40	-43	-15	-11	+9	+11	+12	+8	+5	-7	+7	+8	+2	+5	+8
	order-books	+30	-82	-53	-54	-26	-24	-18	-20	-22	-21	-19	-19	-24	-21	-20
	export order-books	+13	-67	-49	-49	-28	-24	-27	-30	-31	-31	-32	-27	-30	-31	-33
	stocks of finished products	-24	+53	+25	+22	+16	+13	+16	+17	+17	+17	+19	+14	+18	+20	+13
	selling-price expectations	+76	+10	+50	+45	+47	+46	+40	+41	+43	+43	+39	+40	+39	+46	+45
	industrial confidence indicator	+31	-59	-31	-29	-11	-9	-7	-3	-11	-10	-10	-8	-13	-12	-8
L	production expectations	+84	-80	-40	-7	-7	-1	+7	-2	0	+13	-13	-3	+7	-2	-5
	order-books	:	:	-60	-49	+10	+13	+13	+3	-1	+5	+3	0	-2	-3	+2
	export order-books	:	:	:	-57	+11	+12	+14	+1	-2	+4	+2	-3	-2	0	-3
	stocks of finished products	-14	+74	+14	+23	+4	+2	-1	-4	+10	-7	-5	0	+14	+9	+8
	selling-price expectations	:	-46	+10	+24	+23	+30	+23	0	+26	+8	-9	+1	+42	+15	+22
	industrial confidence indicator	:	:	-38	-26	+1	+3	+7	+2	-4	+8	-2	-1	-3	-5	-4
NL	production expectations	+26	-26	-5	0	+7	+7	+6	+7	+2	+2	+12	+8	-1	+2	+6
	order-books	+7	-48	-39	-32	-11	-7	-7	-2	-5	-5	-1	-2	-3	-6	-5
	stocks of finished products	-3	+57	+33	+15	+9	+9	+10	+4	+4	+5	+3	+3	+5	+6	+1
	industrial confidence indicator	+12	-44	-26	-16	-4	-3	-4	0	-2	-3	+3	+1	-3	-3	0
UK	production expectations	:	:	+1	+17	+21	+19	+19	+18	+21	+19	+16	+19	+21	+18	+23
	order-books	:	:	-54	-34	-10	-9	-8	-12	-5	-12	-12	-12	-6	-5	-3
	export order-books	:	:	-48	-34	-13	-10	-6	-6	-1	-6	-7	-5	+1	+2	-5
	stocks of finished products	:	:	+23	+13	+10	+8	+11	+14	+12	+16	+12	+15	+10	+15	+12
	selling-price expectations	:	:	+27	+26	+32	+30	+35	+31	+26	+32	+32	+30	+26	+25	+26
	industrial confidence indicator	:	:	-25	-10	0	+1	0	-3	+1	-3	-3	-3	+2	-1	+3
EC	production expectations	+24	-30	-11	-3	+5	+7	+7	+5	+5	+5	+5	+4	+3	+4	+8
	order-books	+15	-70	-47	-40	-22	-21	-19	-20	-18	-20	-19	-19	-20	-18	-17
	export order-books	:	:	-42	-40	-21	-19	-16	-16	-14	-18	-16	-15	-15	-14	-14
	stocks of finished products	-10	+48	+22	+16	+12	+11	+12	+13	+13	+14	+13	+13	+13	+15	+11
	selling-price expectations	+64	+9	+32	+30	+33	+32	+29	+29	+28	+30	+28	+30	+31	+27	+27
	industrial confidence indicator	+16	-49	-27	-20	-10	-8	-8	-9	-9	-10	-9	-9	-10	-10	-7

(a) The indicator is an average of the responses (net balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).
(b) These are the extreme (high and low) values of the net balances of the different questions, reached in the course of 1972/73 and 1974/75, respectively.

Note: (s.a.) = seasonally adjusted; : = not available. Source: European Community business surveys.

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